

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 INR-07 L-03 ACDA-12  
NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00  
NSC-05 EB-08 MCE-00 COME-00 /078 W  
-----021151 122303Z /63

P R 091700Z DEC 77  
FM AMEMBASSY LUXEMBOURG  
TO SECSTATE WASHDC PRIORITY 6099  
INFO SECDEF, WASHDC//ISA/EU- PRIORITY  
USCINCEUR VAIHINGEN GER //ECJ4/7  
CINCUSAREUR HEIDLEBERG GER//AEAGD-PO-P  
USMNR-SHAPE  
AMEMBASSY BRUSSELS  
AMEMBASSY THE HAGUE  
DEPT ARMY WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 LUXEMBOURG 1026

SHAPE FOR GENERAL HAIG

E.O. 11652:  
TAGS: SUBJ:

REF: LUXEMBOURG 0990

1. THE GOVERNMENT OF LUXEMBOURG ADDRESSED A LETTER TO ME ON AUGUST 29, 1977 (SIGNED BY BOTH THE MINISTER OF PUBLIC FORCES, EMILE KRIEPS, AND THE THEN MINISTER OF NATIONAL ECONOMY, MARCEL MART) ABOUT STORAGE FACILITIES IN LUXEMBOURG FOR US ARMY EQUIPMENT. THE TEXT OF THAT LETTER FOLLOWS IN PARAGRAPH 2. PARAGRAPH 3 PROVIDES THE TEXT OF A PROPOSED REPLY WHICH WAS JOINTLY DRAFTED BY US ARMY AND GOL REPRESENTATIVES. THE DEPARTMENT WILL NOTE THAT THE US REPLY COMMITS THE US ARMY TO DISCUSSIONS WITH THE GOVERNMENT OF LUXEMBOURG ABOUT THE FEASIBILITY OF A SERVICE CONTRACT BETWEEN THE US ARMY, CONFIDENTIAL

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EUROPE, AND A CORPORATION TO BE SET UP BY THE LUXEMBOURG GOVERNMENT TO BUILD PROPOSED STORAGE FACILITIES. I BELIEVE THIS LETTER SHOULD BE SIGNED BY AN APPROPRIATE US ARMY REPRESENTATIVE RATHER THAN BY ME. I THEREFORE PROPOSE TO COVER THE LETTER IN PARAGRAPH 3 WITH A LETTER WHICH I WOULD SIGN ACKNOWLEDGING RECEIPT OF THE GOL AUGUST 29 LETTER AND INFORMING MINISTER KRIEPS THAT A REPLY FROM

AN APPROPRIATE US ARMY REPRESENTATIVE WAS ATTACHED. PLEASE LET ME KNOW IF YOU HAVE ANY OBJECTIONS TO THIS PROCEDURE.

2. LETTER FROM GOVERNMENT OF LUXEMBOURG DATED AUGUST 29, 1977. (EMBASSY TRANSLATION FROM THE ORIGINAL FRENCH.)  
BEGIN TEXT: MR. AMBASSADOR: THE GOVERNMENT OF LUXEMBOURG HAS TAKEN NOTE OF THE PROJECT OF THE U.S. ARMY IN EUROPE TO FIND NEW STORAGE AREAS FOR ITS MILITARY EQUIPMENT.

TWO MEETINGS HAVE BEEN HELD ON THIS SUBJECT BETWEEN A DELEGATION OF THE AMERICAN ARMY AND LUXEMBOURG AUTHORITIES, THE FIRST ON JULY 11 AND THE SECOND ON AUGUST 19, 1977.

BETWEEN THESE TWO MEETINGS, A "U.S. SURVEY TEAM" HAVING THE MISSION OF EXAMINING CONCRETE PROPOSITIONS BY THE LUXEMBOURG AUTHORITIES ABOUT THE EVENTUAL ESTABLISHMENT OF DEPOTS FOR AMERICAN MILITARY EQUIPMENT PROCEEDED ON AUGUST 5, 1977 TO MAKE A DETAILED INSPECTION OF DESIGNATED AREAS IN THE VICINITIES OF BETTEMBOURG, DUDELANGE, DIFFERDANGE AND SANEM.

TO CONCLUDE THE MEETING OF AUGUST 19, 1977, THE GOVERNMENT OF LUXEMBOURG DECLARES THAT IT GIVES ITS AGREEMENT IN PRINCIPLE TO THE DISPOSITION OF THREE AREAS, TWO AT SANEM, THE THIRD AT BETTEMBOURG, FOR THE PREPARATION OF STORAGE AREAS. THE AREAS IN QUESTION, WHICH BELONG TO THE ARBED COMPANY, CAN BE PREPARED ACCORDING TO THE NEEDS AND THE INDICATIONS OF THE AMERICAN  
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ARMY IN THE FORM OF THREE DEPOTS OF 12 HANGARS EACH OR ACCORDING TO ANY OTHER DESIRED SPECIFICATION. THE AMERICAN AUTHORITIES AND THE GOVERNMENT OF LUXEMBOURG HAVE REACHED AGREEMENT TO CONSTITUTE TWO MIXED COMMISSIONS TO STUDY IN MORE DETAIL CONCRETE PROBLEMS IN REGARD TO THE REALIZATION OF THE PROJECT.

THE GOVERNMENT OF LUXEMBOURG HAS THE HONOR TO INFORM YOU BELOW OF THE COMPOSITION OF ITS DELEGATIONS TO THESE TWO MIXED COMMISSIONS.

A. COMMISSION FOR THE STUDY OF GEOGRAPHIC AND TECHNICAL PROBLEMS:

MAJOR MARCEL HALLE -- A REPRESENTATIVE OF THE LUXEMBOURG ARMY

MR. SYLVAIN NUSSBAUM -- A REPRESENTATIVE OF ARBED IN CHARGE OF LAND SERVICE OF ESCH-DIFFERDANGE

MR. JOSEPH THILGES -- CONDUCTEUR-INSPECTEUR PRINCIPAL IER EN RANG OF THE MINISTRY OF PUBLIC WORKS

B. COMMISSION FOR THE STUDY OF ECONOMIC AND FINANCIAL ASPECTS:

TWO DELEGATES OF THE MINISTRY OF NATIONAL ECONOMY --  
MR. ARMAND SIMON, FIRST COUNSELOR

MR. CLAUDE LANNERS, INSPECTOR  
LIEUTENANT COLONEL EDMON PIXIUS -- A PRERESENTATIVE  
OF THE LUXEMBOURG ARMY  
MR. LOSEPH BERG -- CONSEILLER DE GOUV. ADJ. OF THE  
MINISTRY OF PUBLIC FORCES  
MR. RAYMOND KIRSCH, CONSEILLER DE GOUV. OF THE  
MINISTRY OF FINANCE  
MR. EDMOND SCHUMACHER, LEGAL CONSULER, A DELEGATE  
OF ARBED

THESE DELEGATES ARE AT THE DISPOSAL OF THE AMERICAN EX-  
PERTS IN ORDER TO BEGIN WITH THE BRIEFEST POSSIBLE DELAY  
NEGOTIATIONS TO BRING TO FRUITION THE DRAFT PROJECTS  
NECESSARY TO THE CREATION, THE MANAGEMENT AND THE FINAN-  
CING OF THE PROJECTED STORAGE AREAS.  
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THE GOVERNMENT OF LUXEMBOURG ALSO WOULD LIKE TO BRING  
TO YOUR ATTENTION THAT IT ALSO GIVES ITS AGREEMENT TO  
BEGIN DISCUSSIONS LOOKING TO THE EVENTUAL IMPLANTATION OF  
MUNITION DEPOTS COVERING TOTAL SERVICE OF 600,000 SQUARE  
METERS. THE LUXEMBOURG EXPERTS FOR THE DISCUSSIONS IN  
QUESTION WILL BE DESIGNATED AS SOON AS THE AMERICAN AUTHORI-  
TIES HAVE LET US KNOW THE PARTICULAR ASPECTS OF THE SUBJECTS

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NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00  
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P R 091700Z DEC 77  
FM AMEMBASSY LUXEMBOURG  
TO SECSTATE WASHDC PRIORITY 6100  
INFO SECDEF WASHDC//ISA/EU- PRIORITY  
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CINCUSAREUR HEIDLEBERG GER//AEAGD-PO-P  
USMNR-SHAPE  
AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE  
DEPT ARMY WASHDC

C O N F I D E N T I A L SECTION 2 OF 2 LUXEMBOURG 1026

SHAPE FOR GENERAL HAIG

WHICH MUST NECESSARYILY BE EXAMINED TO THAT EFFECT. THE  
UNDERSIGNED REQUESTS, MR. AMBASSADOR, THAT YOU TRANSMIT  
URGENTLY THE CONTENTS OF THIS LETTER TO THE COMPETENT  
AUTHORITIES AND NOTABLY TO COLONRL WALTER KASTENMAYER,  
MR. WILLIAM WATKINS, LIEUTENANT COLONEL ARMAND MELANSON,  
AND MR. FELIX PIAANTONITA OF THE AMERICAN ARMY. END TEXT.

3. PROPOSED REPLY TO ABOVE LETTER. BEGIN TEXT:

IN REPLY TO YOUR LETTER OF 29AUG 1977, I AM GLAD TO  
NOTE THAT THE LUXEMBOURG GOVERNMENT AGREES, IN PRINCIPLE,  
TO PROVIDE FACILITIES IN LUXEMBOURG ON LAND OWNED BY  
ARBED IN SANEM AND BETTEMBOURG FOR THE STORAGE OF CON-  
VENTIONAL MILITARY EQUIPMENT OF THE US ARMY. I CAN  
CONFIRM THAT THE US ARMY, EUROPE, IS INTERESTED IN  
OBTAINING STORAGE FACILITIES IN LUXEMBOURG AND IS READY  
TO DISCUSS THE MATTER FURTHER WITH A VIEW TO CONCLUDING  
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THE NECESSARY ARRANGEMENTS. FOLLOWING THE MEETING OF  
DECMEBER 1, BETWEEN THE LUXEMBOURG GOVERNMENT AND THE  
US ARMY,EUROPE, I WOULD ALSO LIKE TO NOTE THAT BOTH PARTIES  
AGREED TO DISCUSS THE FEASIBILITY OF A SERVICE CONTRACT  
BEWTEEN THE US ARMY, EUROPE, AND THE CORPORATION TO  
BE SET UP BY THE LUXEMBOURG GOVERNMENT IN ORDER TO  
BUILD AND MANAGE THE ABOVE MENTIONED FACILITIES. WHILE  
THE TERMS AND LENGTH OF A CONTRACT WILL HAVE TO  
BE DISCUSSED, THE FOLLOWING INFORMATION RELATING TO  
POTENTIAL CONTRACTING IS PROVIDED. TE CONTRACT COULD  
POSSIBLY BE FOR A FIVE YEAR PERIOD SUBJECT TO DEPARTMENT  
OF ARMY APPROVAL AND TO FUNDS BEING MADE AVAILABLE BY  
THE US CONGRESS ON AN ANNUAL BASIS. THE CONTRACT COULD  
BE SO DRAWN AS TO PROVIDE FOR ADDITIONAL FIVE YEAR  
PERIODS SUBJECT TO THE SAME CONDITIONS. THE CONTRACT  
PRICE TO BE AGREED WOULD COVER BOTH REASONABLE CAPITAL  
INVESTMENT AMORTIZATION AND OPERATIONAL COSTS,  
PROPERLY ALLOWABLE TO THE CONTRACT PERIOD. THE CONTRACT  
WOULD IN PRINCIPLE BE FOR THE PROVISION OF COVERED  
STORAGE TO MEET PRESENT NEEDS OF THE US ARMY, I.E., AP-  
PROXIMATELY 180,000 SQUARE METERS. IT COULD PROVIDE  
FOR AN INITIAL PERIOD OF OPEN-AIR STORAGE WHILE THE FACILI-  
TIES FOR COVERED STORAGE ARE BEING BUILT, IF NECESSARY.  
AS FOR THE TIMETABLE, I CAN CONFIRM THAT THE TECHNICAL  
COMMITTEES MENTIONED IN YOUR LETTER OF 29 AUGUST CAN

START WORK IMMEDIATELY. THE NAMES OF AMERICAN COMMITTEES  
HOLD THEIR FIRST MEETING IN LUXEMBOURG ON 12 DECEMBER 1977.

I AM INFORMED THAT THE US ARMY, EUROPE, DEEMS IT  
POSSIBLE, FOR ITS PART, TO CONCLUDE THE CONTRACT BY  
APRIL 1978. IT WOULD LIKE TO BE ABLE TO START MOVING  
STOCKS INTO THE NEW LOCATIONS IN THE SECOND HALF OF 1978.  
END TEXT. LOWENSTEIN

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Sent Date:** 09-Dec-1977 12:00:00 am  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** DG ALTERED  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Message ID:** b99c2308-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 5  
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**Review Release Event:** n/a  
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**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009